

# The GAMCO Growth Fund

## Third Quarter Report - September 30, 2011

### To Our Shareholders,

For the quarter ended September 30, 2011, the net asset value (“NAV”) per Class AAA Share of The GAMCO Growth Fund (the “Fund”) declined 16.2% compared with decreases of 13.9% and 13.1% for the Standard & Poor’s (“S&P”) 500 Index and the Russell 1000 Growth Index, respectively.

Enclosed is the schedule of investments as of September 30, 2011.



Howard F. Ward, CFA

### Comparative Results

#### Average Annual Returns through September 30, 2011 (a) (Unaudited)

	Quarter	1 Year	5 Year	10 Year	Since Inception (4/10/87)
<b>Class AAA (GABGX)</b> .....	(16.19)%	(3.91)%	(1.52)%	1.02%	8.56%
S&P 500 Index .....	(13.87)	1.14	(1.18)	2.82	8.12(e)
Russell 1000 Growth Index .....	(13.14)	3.78	1.62	3.01	7.50(e)
<b>Class A (GGCAX)</b> .....	(16.18)	(3.90)	(1.52)	1.02	8.56
With sales charge (b) .....	(21.00)	(9.43)	(2.68)	0.43	8.30
<b>Class B (GGCBX)</b> .....	(16.36)	(4.64)	(2.26)	0.43	8.30
With contingent deferred sales charge (c) .....	(20.55)	(9.40)	(2.66)	0.43	8.30
<b>Class C (GGCCX)</b> .....	(16.37)	(4.64)	(2.27)	0.43	8.30
With contingent deferred sales charge (d) .....	(17.21)	(5.59)	(2.27)	0.43	8.30
<b>Class I (GGCIX)</b> .....	(16.15)	(3.67)	(1.36)	1.10	8.60

**In the current prospectus dated April 29, 2011, the expense ratios for Class AAA, A, B, C and I Shares are 1.47%, 1.47%, 2.22%, 2.22%, and 1.22%, respectively. Class AAA and Class I Shares do not have a sales charge. The maximum sales charge for Class A, B, and C Shares is 5.75%, 5.00%, and 1.00%, respectively.**

(a) **Returns represent past performance and do not guarantee future results.** Total returns and average annual returns reflect changes in share prices, reinvestment of distributions, and are net of expenses. Investment returns and the principal value of an investment will fluctuate. When shares are redeemed, they may be worth more or less than their original cost. The Fund imposes a 2% redemption fee on shares sold or exchanged within seven days after the date of purchase. Current performance may be lower or higher than the performance data presented. Performance returns for periods of less than one year are not annualized. Visit [www.gabelli.com](http://www.gabelli.com) for performance information as of the most recent month end. **Investors should carefully consider the investment objectives, risks, charges, and expenses of the Fund before investing. The prospectus contains information about these and other matters and should be read carefully before investing.** The Class AAA Share NAVs are used to calculate performance for the periods prior to the issuance of Class A Shares, Class B Shares, and Class C Shares on December 31, 2003 and Class I Shares on January 11, 2008. The actual performance of the Class B Shares and Class C Shares would have been lower due to the additional expenses associated with these classes of shares. The actual performance of the Class I Shares would have been higher due to lower expenses related to this class of shares. The S&P 500 Index is a market capitalization weighted index of 500 large capitalization stocks commonly used to represent the U.S. equity market. The Russell 1000 Growth Index measures the performance of the large cap growth segment of the U.S. equity market. Index returns include dividends but, unlike Fund returns, do not reflect fees or expenses. Dividends are considered reinvested. You cannot invest directly in an index.

- (b) Performance results include the effect of the maximum 5.75% sales charge at the beginning of the period.  
(c) Assuming payment of the maximum contingent deferred sales charge (CDSC). The maximum CDSC for Class B Shares is 5% and is gradually reduced to 0% after six years.  
(d) Assuming payment of the 1% maximum CDSC imposed on redemptions made within one year of purchase.  
(e) S&P 500 Index and Russell 1000 Growth Index since inception performance are as of March 31, 1987.

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## Schedule of Investments — September 30, 2011 (Unaudited)

<u>Shares</u>	<u>Market Value</u>	<u>Shares</u>	<u>Market Value</u>
<b>COMMON STOCKS — 99.8%</b>		<b>ENERGY — 11.7%</b>	
<b>TECHNOLOGY — 24.3%</b>			
<b>Information Technology — 20.2%</b>			
71,000 Apple Inc.†	\$ 27,063,780	137,500 Cenovus Energy Inc. ....	\$ 4,222,625
460,000 EMC Corp.†	9,655,400	66,000 Devon Energy Corp. ....	3,659,040
24,500 Google Inc., Cl. A†	12,602,310	98,000 EOG Resources Inc. ....	6,958,980
88,500 International Business Machines Corp.	15,490,155	100,000 Halliburton Co. ....	3,052,000
535,000 Microsoft Corp. ....	13,316,150	95,000 Hess Corp. ....	4,983,700
	<u>78,127,795</u>	101,000 Occidental Petroleum Corp.	7,221,500
		105,000 Schlumberger Ltd. ....	6,271,650
		85,000 Southwestern Energy Co.†	2,833,050
		148,000 Suncor Energy Inc. ....	3,765,120
		80,000 Ultra Petroleum Corp.†	2,217,600
<b>Telecommunications — 4.1%</b>		<b>TOTAL ENERGY</b>	<b>45,185,265</b>
329,000 QUALCOMM Inc. ....	15,999,270		
<b>TOTAL TECHNOLOGY</b>	<b>94,127,065</b>		
		<b>CONSUMER STAPLES — 11.5%</b>	
<b>CONSUMER DISCRETIONARY — 19.4%</b>		52,000 Colgate-Palmolive Co. ....	4,611,360
5,000 Amazon.com Inc.†	1,081,150	87,122 Danone ....	5,392,527
239,000 CBS Corp., Cl. B, Non-Voting	4,870,820	102,000 Nestlé SA ....	5,637,908
48,000 Coach Inc. ....	2,487,840	116,600 PepsiCo Inc. ....	7,217,540
235,000 Comcast Corp., Cl. A, Special	4,862,150	191,000 The Coca-Cola Co. ....	12,903,960
46,000 Costco Wholesale Corp. ....	3,777,520	63,000 The Procter & Gamble Co.	3,980,340
115,000 DIRECTV, Cl. A†	4,858,750	73,000 Whole Foods Market Inc.	4,767,630
165,000 Johnson Controls Inc.	4,351,050	<b>TOTAL CONSUMER STAPLES</b>	<b>44,511,265</b>
150,000 Macy's Inc. ....	3,948,000		
80,000 NIKE Inc., Cl. B	6,840,800	<b>HEALTH CARE — 10.7%</b>	
85,000 Nordstrom Inc. ....	3,882,800	52,500 Allergan Inc. ....	4,324,950
6,000 priceline.com Inc.†	2,696,760	84,000 Becton, Dickinson and Co.	6,158,880
10,000 Ralph Lauren Corp. ....	1,297,000	4,200 Intuitive Surgical Inc.†	1,529,976
195,000 Starbucks Corp. ....	7,271,550	98,000 Johnson & Johnson	6,243,580
48,000 The Estee Lauder Companies Inc., Cl. A	4,216,320	47,000 Novartis AG, ADR	2,621,190
155,000 The Home Depot Inc.	5,094,850	6,000 Novo Nordisk A/S, ADR	597,120
65,000 The TJX Companies Inc.	3,605,550	33,000 Novo Nordisk A/S, Cl. B	3,303,297
85,400 Tiffany & Co. ....	5,194,028	65,000 Roche Holding AG, ADR	2,614,300
120,000 Viacom Inc., Cl. B	4,648,800	15,000 Roche Holding AG, Genusschein	2,434,356
<b>TOTAL CONSUMER DISCRETIONARY</b>	<b>74,985,738</b>	134,000 St. Jude Medical Inc.	4,849,460
		91,000 Stryker Corp. ....	4,288,830
		48,000 Varian Medical Systems Inc.†	2,503,680
		<b>TOTAL HEALTH CARE</b>	<b>41,469,619</b>
<b>PRODUCER DURABLES — 14.0%</b>			
35,000 C.H. Robinson Worldwide Inc.	2,396,450	<b>MATERIALS AND PROCESSING — 5.5%</b>	
60,000 Caterpillar Inc. ....	4,430,400	65,000 E. I. du Pont de Nemours and Co.	2,598,050
60,000 Cummins Inc. ....	4,899,600	69,000 Freeport-McMoRan Copper & Gold Inc.	2,101,050
52,000 Deere & Co. ....	3,357,640	55,000 Monsanto Co. ....	3,302,200
136,000 Eaton Corp. ....	4,828,000	53,000 Precision Castparts Corp.	8,239,380
131,000 Emerson Electric Co.	5,411,610	104,500 The Mosaic Co. ....	5,117,365
45,000 Flowserve Corp. ....	3,330,000	<b>TOTAL MATERIALS AND PROCESSING</b>	<b>21,358,045</b>
193,000 General Electric Co.	2,941,320		
130,000 Honeywell International Inc.	5,708,300	<b>FINANCIAL SERVICES — 2.7%</b>	
65,000 Joy Global Inc. ....	4,054,700	14,500 BlackRock Inc. ....	2,146,145
110,000 PACCAR Inc. ....	3,720,200	9,800 MasterCard Inc., Cl. A	3,108,168
42,000 Union Pacific Corp. ....	3,430,140		
79,000 United Technologies Corp.	5,558,440		
<b>TOTAL PRODUCER DURABLES</b>	<b>54,066,800</b>		

See accompanying notes to schedule of investments.

# The GAMCO Growth Fund

## Schedule of Investments (Continued) — September 30, 2011 (Unaudited)

<u>Shares</u>	<u>Market Value</u>
<b>COMMON STOCKS (Continued)</b>	
<b>FINANCIAL SERVICES (Continued)</b>	
260,000	The Charles Schwab Corp. . . . . \$ 2,930,200
29,000	Visa Inc., Cl. A . . . . . <u>2,485,880</u>
	<b>TOTAL FINANCIAL SERVICES . . . . .</b> <u>10,670,393</u>
	<b>TOTAL COMMON STOCKS . . . . .</b> <u>386,374,190</u>
<b>Principal Amount</b>	
<b>U.S. GOVERNMENT OBLIGATIONS — 0.2%</b>	
\$843,000	U.S. Treasury Bills, 0.000% to 0.020%††, 12/22/11 to 03/08/12 . . . . . <u>842,864</u>
	<b>TOTAL INVESTMENTS — 100.0%</b>
	(Cost \$400,279,846) . . . . . \$ <u>387,217,054</u>
	Aggregate tax cost . . . . . \$ <u>402,916,927</u>
	Gross unrealized appreciation . . . . . \$ 30,167,751
	Gross unrealized depreciation . . . . . <u>(45,867,624)</u>
	Net unrealized appreciation/depreciation . . . . . \$ <u>(15,699,873)</u>

† Non-income producing security.

†† Represents annualized yield at date of purchase.

ADR American Depositary Receipt

See accompanying notes to schedule of investments.

## The GAMCO Growth Fund

### Notes to Schedule of Investments (Unaudited)

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The Fund's schedule of investments is prepared in accordance with U.S. Generally Accepted Accounting Principles ("GAAP"), which may require the use of management estimates and assumptions. Actual results could differ from those estimates. The following is a summary of significant accounting policies followed by the Fund in the preparation of its schedule of investments.

**Security Valuation.** Portfolio securities listed or traded on a nationally recognized securities exchange or traded in the U.S. over-the-counter market for which market quotations are readily available are valued at the last quoted sale price or a market's official closing price as of the close of business on the day the securities are being valued. If there were no sales that day, the security is valued at the average of the closing bid and asked prices or, if there were no asked prices quoted on that day, then the security is valued at the closing bid price on that day. If no bid or asked prices are quoted on such day, the security is valued at the most recently available price or, if the Board of Trustees (the "Board") so determines, by such other method as the Board shall determine in good faith to reflect its fair market value. Portfolio securities traded on more than one national securities exchange or market are valued according to the broadest and most representative market, as determined by Gabelli Funds, LLC, the Adviser.

Portfolio securities primarily traded on a foreign market are generally valued at the preceding closing values of such securities on the relevant market, but may be fair valued pursuant to procedures established by the Board if market conditions change significantly after the close of the foreign market, but prior to the close of business on the day the securities are being valued. Debt instruments with remaining maturities of sixty days or less that are not credit impaired are valued at amortized cost, unless the Board determines such amount does not reflect the securities' fair value, in which case these securities will be fair valued as determined by the Board. Debt instruments having a maturity greater than sixty days for which market quotations are readily available are valued at the average of the latest bid and asked prices. If there were no asked prices quoted on such day, the security is valued using the closing bid price. U.S. government obligations with maturities greater than sixty days are normally valued using a model that incorporates market observable data such as reported sales of similar securities, broker quotes, yields, bids, offers, and reference data. Certain securities are valued principally using dealer quotations.

Securities and assets for which market quotations are not readily available are fair valued as determined by the Board. Fair valuation methodologies and procedures may include, but are not limited to: analysis and review of available financial and non-financial information about the company; comparisons with the valuation and changes in valuation of similar securities, including a comparison of foreign securities with the equivalent U.S. dollar value ADR securities at the close of the U.S. exchange; and evaluation of any other information that could be indicative of the value of the security.

The inputs and valuation techniques used to measure fair value of the Fund's investments are summarized into three levels as described in the hierarchy below:

- Level 1 – quoted prices in active markets for identical securities;
- Level 2 – other significant observable inputs (including quoted prices for similar securities, interest rates, prepayment speeds, credit risk, etc.); and

## The GAMCO Growth Fund

### Notes to Schedule of Investments (Continued) (Unaudited)

- Level 3 – significant unobservable inputs (including the Fund's determinations as to the fair value of investments).

A financial instrument's level within the fair value hierarchy is based on the lowest level of any input both individually and in the aggregate that is significant to the fair value measurement. The inputs or methodology used for valuing securities are not necessarily an indication of the risk associated with investing in those securities. The summary of the Fund's investments in securities by inputs used to value the Fund's investments as of September 30, 2011 is as follows:

<u>Valuation Inputs</u>	<u>Investments in Securities (Market Value) Assets</u>
Level 1 – Quoted Prices* .....	\$386,374,190
Level 2 – Other Significant Observable Inputs* .....	842,864
Total .....	<u>\$387,217,054</u>

\* Portfolio holdings designated in Level 1 and Level 2 are disclosed individually in the Schedule of Investments ("SOI"). Level 2 consists of U.S. Government Obligations. Please refer to the SOI for the industry classifications of these portfolio holdings.

The Fund did not have significant transfers between Level 1 and Level 2 during the period ended September 30, 2011.

There were no Level 3 investments held at September 30, 2011 or December 31, 2010.

In May 2011, the FASB issued Accounting Standards Update ("ASU") No. 2011-04 "Amendments to Achieve Common Fair Value Measurement and Disclosure Requirements in U.S. GAAP and International Financial Reporting Standards ("IFRS")." ASU 2011-04 includes common requirements for measurement of and disclosure about fair value between U.S. GAAP and IFRS. ASU 2011-04 will require reporting entities to disclose the following information for fair value measurements categorized within Level 3 of the fair value hierarchy: quantitative information about the unobservable inputs used in the fair value measurement, the valuation processes used by the reporting entity, and a narrative description of the sensitivity of the fair value measurement to changes in unobservable inputs and the interrelationships between those unobservable inputs. In addition, ASU 2011-04 will require reporting entities to make disclosures about amounts and reasons for all transfers into and out of Level 1 and Level 2 fair value measurements. The new and revised disclosures are effective for interim and annual reporting periods beginning after December 15, 2011. At this time, management is evaluating the implications of ASU 2011-04 and its impact on the financial statements.

**Foreign Currency Translations.** The books and records of the Fund are maintained in U.S. dollars. Foreign currencies, investments, and other assets and liabilities are translated into U.S. dollars at current exchange rates. Purchases and sales of investment securities, income, and expenses are translated at the exchange rate prevailing on the respective dates of such transactions. Unrealized gains and losses that result from changes in foreign exchange rates and/or changes in market prices of securities have been included in unrealized appreciation/depreciation on investments and foreign currency translations. Net realized foreign currency gains and losses resulting from changes in exchange rates include foreign currency gains and losses between trade date and settlement date on investment securities transactions, foreign currency transactions, and the

## The GAMCO Growth Fund

### Notes to Schedule of Investments (Continued) (Unaudited)

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difference between the amounts of interest and dividends recorded on the books of the Fund and the amounts actually received. The portion of foreign currency gains and losses related to fluctuation in exchange rates between the initial purchase trade date and subsequent sale trade date is included in realized gain/(loss) on investments.

**Foreign Securities.** The Fund may directly purchase securities of foreign issuers. Investing in securities of foreign issuers involves special risks not typically associated with investing in securities of U.S. issuers. The risks include possible revaluation of currencies, the inability to repatriate funds, less complete financial information about companies, and possible future adverse political and economic developments. Moreover, securities of many foreign issuers and their markets may be less liquid and their prices more volatile than securities of comparable U.S. issuers.

**Foreign Taxes.** The Fund may be subject to foreign taxes on income, gains on investments, or currency repatriation, a portion of which may be recoverable. The Fund will accrue such taxes and recoveries as applicable, based upon its current interpretation of tax rules and regulations that exist in the markets in which it invests.

**Tax Information.** The Fund intends to continue to qualify as a regulated investment company under Subchapter M of the Internal Revenue Code of 1986, as amended.

At December 31, 2010, the Fund had net capital loss carryforwards for federal income tax purposes of \$448,685,479 which are available to reduce future required distributions of net capital gains to shareholders. \$350,050,494 of the loss carryforward is available through 2011; \$1,141,675 is available through 2012; \$18,485,136 is available through 2016; \$67,392,145 is available through 2017; and \$11,616,029 is available through 2018.

Under the recently enacted Regulated Investment Company Modernization Act of 2010, the Fund will be permitted to carryforward capital losses incurred in taxable years beginning after December 22, 2010, for an unlimited period. In addition, these losses must be utilized prior to the losses incurred in pre-enactment taxable years. As a result of the rule, pre-enactment capital loss carryforwards may have an increased likelihood of expiring unused. Additionally, post-enactment capital losses that are carried forward will retain their character as either short-term or long-term capital losses rather than being considered all short-term as under previous law.

We have separated the portfolio manager's commentary from the financial statements and investment portfolio due to corporate governance regulations stipulated by the Sarbanes-Oxley Act of 2002. We have done this to ensure that the content of the portfolio manager's commentary is unrestricted. The financial statements and investment portfolio are mailed separately from the commentary. Both the commentary and the financial statements, including the portfolio of investments, will be available on our website at [www.gabelli.com](http://www.gabelli.com).

## Gabelli/GAMCO Funds and Your Personal Privacy

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### **Who are we?**

The Gabelli/GAMCO Funds are investment companies registered with the Securities and Exchange Commission under the Investment Company Act of 1940. We are managed by Gabelli Funds, LLC, which is affiliated with GAMCO Investors, Inc. GAMCO Investors, Inc. is a publicly held company that has subsidiaries that provide investment advisory or brokerage services for a variety of clients.

### **What kind of non-public information do we collect about you if you become a Fund shareholder?**

If you apply to open an account directly with us, you will be giving us some non-public information about yourself. The non-public information we collect about you is:

- *Information you give us on your application form.* This could include your name, address, telephone number, social security number, bank account number, and other information.
- *Information about your transactions with us, any transactions with our affiliates, and transactions with the entities we hire to provide services to you.* This would include information about the shares that you buy or redeem. If we hire someone else to provide services—like a transfer agent—we will also have information about the transactions that you conduct through them.

### **What information do we disclose and to whom do we disclose it?**

We do not disclose any non-public personal information about our customers or former customers to anyone other than our affiliates, our service providers who need to know such information, and as otherwise permitted by law. If you want to find out what the law permits, you can read the privacy rules adopted by the Securities and Exchange Commission. They are in volume 17 of the Code of Federal Regulations, Part 248. The Commission often posts information about its regulations on its website, [www.sec.gov](http://www.sec.gov).

### **What do we do to protect your personal information?**

We restrict access to non-public personal information about you to the people who need to know that information in order to provide services to you or the Fund and to ensure that we are complying with the laws governing the securities business. We maintain physical, electronic, and procedural safeguards to keep your personal information confidential.

## The GAMCO Growth Fund

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Net Asset Value per share available daily by calling  
**800-GABELLI** after 7:00 P.M.

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State Street Bank and Trust Company

### Distributor

G.distributors, LLC

### Legal Counsel

Skadden, Arps, Slate, Meagher & Flom LLP

# GAMCO

# The GAMCO Growth Fund

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This report is submitted for the general information of the shareholders of The GAMCO Growth Fund. It is not authorized for distribution to prospective investors unless preceded or accompanied by an effective prospectus.

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THIRD QUARTER REPORT  
SEPTEMBER 30, 2011